



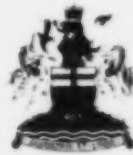
Annual Report

2007/08

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MINISTER'S LETTER OF TRANSMITTAL



MINISTER OF INFRASTRUCTURE AND TRANSPORTATION

Room 203
Legislative Building
Winnipeg, Manitoba, CANADA
R3C 0V8

June 25, 2007

The Honourable John Harvard
Lieutenant Governor of Manitoba
Room 235, Legislative Building
Winnipeg, MB R3C 0V8

May It Please Your Honour:

It is my privilege to present the Annual Report of Materials Distribution Agency (MDA) for the year ended March 31, 2007.

This report marks the completion of MDA's fourteenth year as a Special Operating Agency, providing the Province and the broader public sector with quality, cost-effective centralized mail and materials management services. MDA continues to demonstrate its competencies by increasing its warehousing and distribution services for all areas of the government.

I commend the staff and management of MDA on the success they achieved in the last year as MDA continues to provide innovative services to the Manitoba Government.

Respectfully submitted,

A handwritten signature in cursive script, reading "Ron Lemieux".

Ron Lemieux
Minister Responsible for
Materials Distribution Agency

DEPUTY MINISTER'S LETTER OF TRANSMITTAL



Infrastructure and Transportation

Associate Deputy Minister's office
300 - 215 Garry
Winnipeg MB R3C 3Z1
T 204-945-3887 F 204-945-1857

June 25, 2007

Honourable Ron Lemieux
Minister Responsible for the
Materials Distribution Agency
Manitoba Infrastructure and Transportation
Room 203, Legislative Building
Winnipeg MB
R3C 0V8

Dear Mr. Minister:

It is with pleasure that I submit the fourteenth Annual Report of Materials Distribution Agency (MDA) for the year ending March 31, 2007.

Since amalgamation with Mail Management Agency in 2005/06, the Agency continues to streamline its product and service offerings for the benefit of its clients. I appreciate the commitment and hard work of the staff who are focused on continually improving the Agency's services.

I look forward to the new challenges and business opportunities the next year will bring to the new merged Agency.

Respectfully submitted,

Paul Rochon
Chair of the
Materials Distribution Agency Advisory Board

Manitoba
spirited energy

CHIEF OPERATING OFFICER'S LETTER OF TRANSMITTAL

June 27, 2008

To the many stakeholders of MDA:

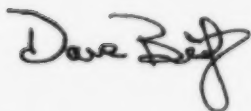
I am honoured to present the Agency's fifteenth Annual Report as a Special Operating Agency.

Materials Distribution Agency (MDA) has a vision to be the leader in distribution services for the Provincial Government. To save client's resources and time, MDA must be prompt, competitively priced and reliable. MDA fosters an atmosphere of continuous improvement to offer clients the services they require in the most efficient manner.

The Agency is proud of its ability to save government client's time and money by offering a cost effective one-stop-shop for goods and services. Clients such as Employment and Income Assistance Program, Manitoba Textbook Bureau, and Manitoba Health have realized costs savings and time efficiencies through the use of MDA for their distribution of goods.

I would like to thank all clients for their continued support of MDA. When they ask MDA to take on their distribution projects, it is an endorsement of the Agency's vision and commitment to service excellence. MDA strives to exceed client expectations.

Sincerely,

A handwritten signature in black ink, appearing to read "Dave Bishop". The signature is stylized with a large, looped "D" and a cursive "Bishop".

Dave Bishop
Chief Operating Officer - MDA

BACKGROUND

The Government of Manitoba has seventeen Special Operating Agencies (SOA's) under the *Special Operating Agencies Financing Authority Act*. In Manitoba, SOA's are an operational organization within a Government department. The Charter and the Schedule of Delegated Authorities define the Agency's accountability relationships. These framework documents lay out target commitments for service levels and financial performance.

The SOA concept reflects government's desire to support improved service to clients; increased latitude for innovation; empowerment of staff, better management of people; and clearly defined accountability for results. Agencies have more direct responsibility for results and additional flexibility regarding staffing, capital investments, rate setting, financial systems and accounting procedures.

Every year, SOA's must prepare a business plan that provides a blueprint for the activities, revenues and expenditures for the upcoming year. Once approved, the Agency provides quarterly and yearly reports on progress against those goals.

Materials Distribution was created in 1974, to provide the government with centralized materials management for government departments, boards, commissions and agencies and became a Special Operating Agency in 1993. Postal Services was created in 1954 to provide government wide postal services and it became an SOA in 1996. The organizations amalgamated April 1, 2005. The Agency's mandate is to cost effectively meet the mail and material distribution requirements of organizations within the broader public service.

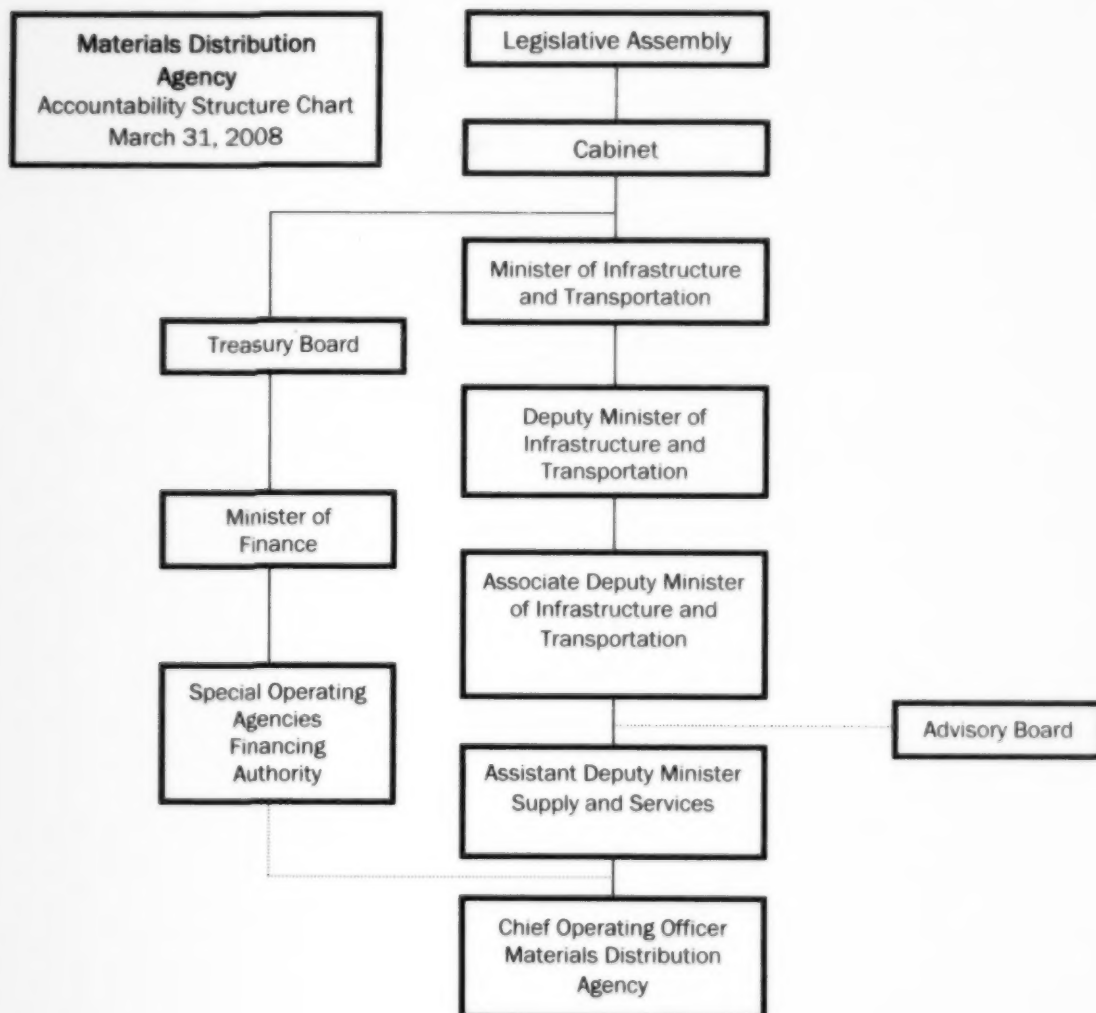
STRUCTURE FOR OPERATIONS

Accountability Structure

As an organization within Manitoba Infrastructure and Transportation, MDA reports directly to the Assistant Deputy Minister, Supply and Services, and is held accountable to the Associate Deputy Minister, Deputy Minister, and Minister of Infrastructure and Transportation for operational and financial performance.

The Agency operates outside of the Consolidated Fund under the Special Operating Agencies Financing Authority (SOAFA), which holds title to the Agency's assets, provides financing for operations, and is responsible for its liabilities. Governance and accountability are substantiated by MDA's compliance with its Operating Charter, Transfer Agreement, Management Agreement, applicable General Manual of Administration policies, and by The Special Operating Agencies Financing Authority Act. Financial and operational information and requirements are disseminated to and from Treasury Board through a SOA Coordinator at Treasury Board Secretariat.

The Accountability Structure Chart presented below outlines the current structure:



Advisory Board

The Advisory Board for Materials Distribution Agency meets as required to review the Agency's financial and operating reports, the draft Business Plan, and any proposed changes to the Agency's Charter. The Board's members offer advice and direction on reporting and management issues of concern, and on short and long term strategic planning.

Members of the MDA Advisory Board as of March 31, 2008, are listed below.

Members of the Advisory Board for Materials Distribution Agency

CHAIR	Paul Rochon Associate Deputy Minister Manitoba Infrastructure and Transportation	
MEMBERS		
Private Sector Representative	Position vacant	
Client Representatives	Fred Meier Assistant Deputy Minister Manitoba Conservation	Kim Sharman Assistant Deputy Minister Manitoba Health and Healthy Living
Ex Officio	Tracey Danowski Assistant Deputy Minister Supply and Services Division Manitoba Infrastructure and Transportation	David Bishop Chief Operating Officer Materials Distribution Agency
Staff Representative	Robert Nicholls A/Logistics Manager Materials Distribution Agency	

MDA MISSION STATEMENT

Mission

This Agency provides mail and material management services to the public sector.

ORGANIZATIONAL GOALS

Employees – To increase employee job satisfaction and foster a respectful workplace.

Service – To sustain and improve customer service by developing infrastructure, setting standards and meeting or exceeding customer needs.

Growth – To grow business while maintaining or decreasing overall government expenditures.

ORGANIZATIONAL VALUES

The Agency supports its mission statements and goals with its operating values.

Reliability

MDA:

- Continually improves all aspects of its organization
- Provides consistent services
- Establishes and follows standards
- Does not make promises it can't keep
- Meets deadlines
- Is fair
- Demonstrates integrity

Teamwork

MDA:

- Behaves ethically
- Recognizes achievements
- Communicates
- Is positive
- Sees each call as an opportunity
- Values diversity of backgrounds and opinions
- Creates and supports a common direction and common goals
- Demonstrates the priority of team goals

Accountability

MDA:

- Meets deadlines
- Provides clients with quality assured goods
- Saves government clients money
- Strives to know its clients' needs

AGENCY PRODUCTS

MDA bulk purchases a variety of commonly used supplies and distributes these goods in smaller quantities as needed by its clients. These distinct product lines are listed below:

Commodities	Line Items
Stationery and Office Supplies	933
Janitorial Supplies	306
Medical Supplies	916
Home Care Equipment	164
Office Furnishings and Furniture	113
Brochures	131
Total Line Items	2,563

AGENCY SERVICES

MDA provides the following lines of business and key services:

Mail Processing

MDA processes different types of mail for clients. MDA weighs and ascertains postage of standard and oversized mail through high-speed mail machines. Staff affixes appropriate postage to letter mail that exceeds the maximum dimensions or weight through two computerized shipping systems, high volume mail through permit mail using pre-printed indicia on envelopes and prepaid mailings through use of numerically controlled Canada Post envelopes. The current cost to clients is made up of actual postage and a separate processing fee which varies depending on type (i.e. metered, permit etc.). MDA has other products such as variable rate services including Business Reply Mail, Returned Mail, and Short Paid Mail.

Mail Finishing

MDA provides clients with various types of Mail Finishing Services such as envelope addressing, bursting of printed forms and cheques, folding of printed material, inserting into envelopes and manual collating of items into kits or envelopes.

Interdepartmental Mail

Clients purchase Prepaid Labels in four denominations (Letter, Oversize Letter, Small Packet, and Parcel). MDA also offers Signature Service, which provides clients with confirmation of delivery of mail.

Contract Administration

MDA offers the broader public sector access to its volume based contracted courier and parcel rates.

Digital Printing

MDA's Variable Data Print Service provides clients with "just-in-time" printing of electronic documents on high-speed digital black and white printers that can be immediately transferred to the Finishing, Processing, and Interdepartmental lines of business.

Home Care Equipment Rental

MDA provides a comprehensive Rental, Repair and Service Program. MDA receives and repairs any damaged or non-functioning component and disinfects the item before returning it to the active equipment rental pool. MDA carries out periodic safety checks on equipment in the field to ensure it is in good working condition. This program continues to grow, which is consistent with the demographics and growing reliance on Home Care solutions. MDA expects to see significant growth in the Employment and Income Assistance Program (EIA). MDA is tracking EIA and Child Special Services Program equipment use. EIA has asked MDA to implement an electronic solution for tracking of equipment.

Office Equipment Service and Rental

Desktop computers have reduced the need for the Office Equipment Service Program and rental. Revenue for this line is gradually diminishing. MDA will provide this service until market demand significantly declines.

Key Copy Centres

MDA administers the Copy Centre Program and orders, ensures delivery of supplies to each copy centre and arranges for repairs and maintenance. As contracts are renewed or mature, Procurement Services Branch (PSB) of Manitoba Infrastructure and Transportation assesses the appropriateness of copy centre services and may replace manual keys with electronic keys. This service is expected to grow at a slow rate and is dependent on the corporate wide goals for copy centres.

Warehouse and Distribution Services

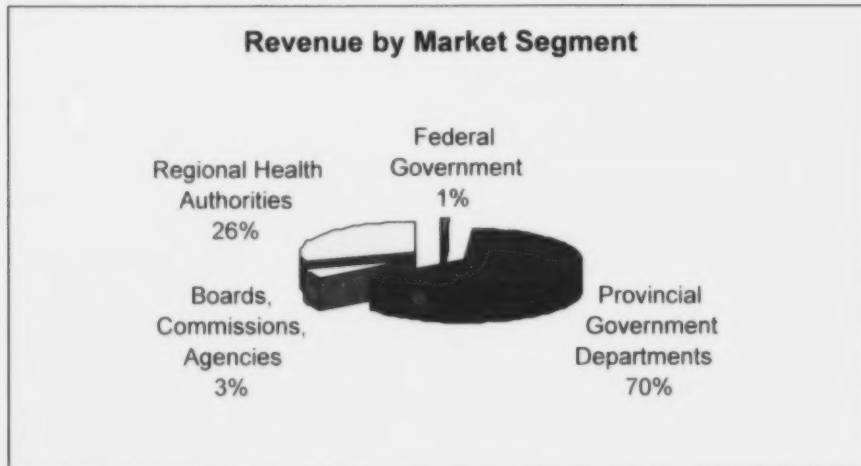
MDA provides Warehouse and Distribution Services to other agencies and departments, which includes picking and packing for provincial, national and international distribution.

Transportation, Storage and Disposal Services

MDA provides moving services resulting in significant cost savings for which it consistently receives positive client feedback. Secure storage facilities are also provided. MDA also disposes of goods and furnishings government offices no longer need. Often MDA reassigns these items to other agencies that have short-term needs. MDA disposes non-recyclable items through auction, tendered and untendered sales and through recycling companies.

MARKET SEGMENT INFORMATION

Total Revenue 2007/08 \$22,906,000



WAREHOUSE PRODUCTS – DISTRIBUTION INFORMATION

Number of Orders	2007/08	2006/07	2005/06
MDA Orders	55,585	51,045	55,752
Manitoba Textbook Orders	12,584	15,892	17,428

Location Distribution of Warehoused Products	2007/08	2006/07	2005/06
Winnipeg	60%	54%	55%
Rural	40%	46%	45%

Delivery Distribution of Winnipeg Orders	2007/08	2006/07	2005/06
Regular (2 days)	91%	93%	92%
Same day	3%	4%	2%
Pickup	6%	3%	6%

2007/08 PROJECTS AND ACTIVITY STATUS HIGHLIGHTS

1. Human Resources Overview

Goal: To enhance understanding of Diversity, improve staff attendance and to improve staff health assessments rates by introducing staff well being strategies

Update on strategy

- Ensure all staff attend Diversity Workshop
- Continue the voluntary light exercise program
- Host a Wellness Fair by June 30, 2007
- 50 staff attended in 2006/07, 20 staff attended in 1st quarter, and 10 are registered for June 2008
- 22 staff participated in the pedometer challenge logging over 10 million steps
- The first ever MDA Wellness Fair was held in April 2007 with over 100 staff, family members and other civil servants in attendance. There were 15 sessions with representatives from 10 health agencies. The Minister of Healthy Living, the Honourable Kerri Irvin-Ross spoke at the closing ceremonies. This has now become a yearly event

Goal: To have effective plans to identify and train leaders for tomorrow

Update on strategy

- Have each manager develop a learning plan by September 1, 2007
- Each manager has a learning plan developed which will be updated with "Learning Policy" information from the Civil Service Commission

Goal: To address Agency-wide training needs

Update on strategies

- Introduce a comprehensive Customer Focused Training Program for staff who deal with clients, by September 2007
- Ongoing

2. Logistics Overview

Goal: To provide leadership training to enhance management potential of employees by offering specific training tools to staff

Update on strategies

- | | |
|---|--|
| • Incorporate, on an annual basis, performance management appraisals for all staff by December 2008 | • New term staff had performance evaluations completed as required |
| • Assist in MDA's Wellness Plan by encouraging employees to participate by March 2008 | • Increased participation by 70% |
| • Continue core competency training for all warehouse positions | • Ongoing with team leads |
| • Review and increase security levels for the entire facility by December 2007 | • Review completed and 4 improvements made with 3 more in process |

Goal: To enhance workflow, client service requirements and maximize productivity and accuracy while sourcing hidden costs to control expenditures

Update on strategies

- | | |
|--|---|
| • Review the Logistic area organization structure and present recommendations to the Management Committee by September 1, 2007 | • Completed |
| • Review current business growth and new business requirements and their impact on warehouse space by October 31, 2007 | • Completed |
| • Expand the Quality Control Program to other warehouse areas by September 2007 | • Quality Control has been expanded into the Jan/Stat area and is ongoing in all areas in the warehouse |

Goal: To amalgamate Canada Post and Purolator shipping systems

Update on strategies

- | | |
|--|-------------|
| • Review shipping system requirements by December 31, 2007 | • Completed |
|--|-------------|

Goal: To analyze and determine best option for all Federal Mail functions and review overall processing area for potential space enhancements

Update on strategies

- | | |
|---|--|
| • Determine the benefits of purchasing new mail machines vs. leasing vs. outsourcing by June 30, 2007 | • Completed and hardware purchased |
| • Review satellite operations to determine expansion of services by June 2007 | • No expansion at this time. 405 Broadway to be closed in the fall of 2008 |

Goal: The Agency will prepare a plan to identify critical services lines and the response to major challenges

Update on strategies

- | | |
|--|--|
| • Work with the division team to develop a plan for continuation of critical client services, by December 2008 | • Draft Business Continuity Plan for MDA completed in March 2008. Final document will be finished in 2008/09 1 st quarter |
|--|--|

3. Marketing and Sales Overview

Goal: To increase contact with clients

Update on strategies

- | | |
|--|-----------|
| • Implement planned client relationship strategies for key client groups | • Ongoing |
|--|-----------|

Goal: To continue annual product reviews, introduce two product management Standard Operating Procedures (SOP's) and identify at least ten new products per month

Update on strategies

- | | |
|---|---|
| • With Procurement Services Branch, review slow moving products every quarter | • Performed quarterly in collaboration with MDA's Purchasing area |
| • Use product review groups to evaluate new and existing products and ensure products are evaluated every quarter | • Performed quarterly in collaboration with MDA's Purchasing area |

Goal: To implement more aggressive and frequent communication tools that dispel myths about: Service Delivery, Price and Product Quality and Availability

Update on strategies

- | | |
|--|---|
| • Publish Medical Product Catalogue focusing on differentiating medical products by program type in September 2007 | • Launch completed. Distribution took place February 2008 |
| • Publish new Medical Updates Flyer each quarter | • Quarterly updates completed and are ongoing |
| • Continue cost recovery efforts for the catalogue | • Completed. Six ads placed |
| • Develop a brochure and folder kit of all Agency services by June 2007 | • Completed in September 2007 |
| • Participate in at least three tradeshow including Manitoba Health Travel and Immunization Conference in April and Provincial Health Care Conference in September | • Attended Immunization Conference and Building Managers Conference and Association of Manitoba Municipalities Conference in November |
| • Coordinate product promotion events at government locations | • Completed. Nine product promotion events took place in Winnipeg and ten in Rural Manitoba |

Goal: To develop service oriented staff that is technically competent in all marketing activities

Update on strategies

- | | |
|---|--|
| • Implement learning plans for each employee in Marketing by September 2007 | • Learning plan exercise initiated for all marketing staff |
| • Assist Logistics Manager in development of MDA orientation manual by March 31, 2008 | • Completed September 2007. Manual was expanded to include MIT's orientation package |

4. Client Services Overview

Goal: To review the impact of "SAP First" policy on MDA's workload

Update on strategies

- | | |
|--|--|
| <ul style="list-style-type: none">• Monitor CSR transactions on a daily basis in the first two quarters to analyze impact on workloads due to "SAP First" policy | <ul style="list-style-type: none">• Transactions monitored and increased by 6% which management determined did not require an increase in staffing |
|--|--|

Goal: To have process direction and operational standards for furniture and drop shipments

Update on strategies

- | | |
|--|---|
| <ul style="list-style-type: none">• Review existing processes for MDA's furniture and drop shipments and update Operating Manuals by June 30, 2007 | <ul style="list-style-type: none">• Completed in September 2007 |
|--|---|

Goal: To have accurate and current client rentals records

Update on strategies

- | | |
|--|--|
| <ul style="list-style-type: none">• Issue yearly possession verification letters to all registered equipment clients by March 31, 2008• Develop a monthly process to issue Estate and Out-of-Province letters by April 15, 2007 | <ul style="list-style-type: none">• Completed - IT incorporated additional fields in letters to improve communication• Completed Estate section letters in November 2008. Out-of-Province process completed in January 2008 |
|--|--|

Goal: To meet Treasury Board's direction by implementing an equipment-recycling program for client (EIA)

Update on strategies

- | | |
|---|---|
| <ul style="list-style-type: none">• Establish a committee and liaison protocol with EIA by May 31, 2007 | <ul style="list-style-type: none">• Completed |
|---|---|

Goal: To review existing medical equipment on the Provincial Home Care Equipment Program

Update on strategies

- | | |
|---|--|
| <ul style="list-style-type: none">• Review service and maintenance standards and develop a review process by January 31, 2008 | <ul style="list-style-type: none">• SOP completed and monitoring mechanism is in place |
|---|--|

Goal: To track and manage equipment maintenance and service requirements

Update on strategies

- | | |
|--|---|
| <ul style="list-style-type: none">• Track service hours on new medical equipment programs by September 30, 2007• Review staff levels to meet the growing workloads in Customer Service and Technician areas | <ul style="list-style-type: none">• New program statistics are tracked and recorded• 23% workload increase in Technician area from fiscal year 2006/07 |
|--|---|

5. Contracts and Purchasing Overview

Goal: To liaise with vendors, contract owners, and Procurement Services Branch (PSB) to establish and manage contracts that best meet the needs of the Agency and its clients

Update on strategies

- | | |
|--|---|
| • Identify opportunities and changes to tender specifications beneficial to the Agency and its clients | • MDA has established and made appropriate changes to specifications of contracts |
| • Review current tender templates and specifications and provide recommended changes to PSB | • Completed |
| • Implement a process to deal with vendor issues which create a disruption to service by June 30, 2007 | • Completed |

Goal: To reduce the number of backorders and their associated costs

Update on strategies

- | | |
|---|-----------------------------------|
| • Monitor backorders to maintain a line item industry standard of 1.5% or less for the medical, stationery and janitorial items | • 2007/08 backorder rate was 1.5% |
| • Finalize the SOP to manage backorder situations by June 30, 2007 | • Completed |

Goal: To reduce the number of redundant stocked items, making room for new products

Update on strategies

- | | |
|--|-------------|
| • Review minimal sales items and develop a discontinued item list, every quarter | • Completed |
| • Develop a Discontinued Products SOP by June 30, 2007 | • Completed |

Goal: To improve established business relationships

Update on strategies

- | | |
|--|---|
| • Update all standardized letters to reflect a more customer service oriented approach by March 31, 2008 | • Changes have incorporated the new Provincial logo |
|--|---|

Goal: To increase knowledge and understanding of the procurement process

Update on strategies

- | | |
|---|---|
| • Have MDA attendance at a Green Conference | • Attended two green janitorial presentations |
| • Have MDA attendance at the Canadian Forum on Public Procurement in September 2007 | • Manager attended conference |

6. Finance and Information Technology Overview

Goal: To provide on-going user, client and system support on a day-to-day basis to ensure technology goals are met

Update on strategies

- Initiate a life cycle management plan for both custom hardware and software to ensure migration paths are factored into annual budget planning by December 2007
- Plans have been developed and monitored are being monitored

Goal: To review the Mail Services Billing System (Hermes)

Update on strategies

- Review the billing process to be completed by June 30, 2007
- Review completed in June 2007. Printing and finishing processes to be removed from Hermes computer program by July 2008. Lock box fees and daily service revenue removed in February 2008. Processes will be set up so data is entered directly into Great Plains

Goal: To manage all aspects of SOA reporting and documents required by Treasury Board

Update on strategies

- File all reports and plans by dates required by Treasury Board
- All quarterly reports and Annual Report filed on time

Wellness Update

MDA's goal is to become a healthy workplace, thus aligning with the province's priority to promote healthy living. MDA recognizes the substantial savings to the Agency and health care system in the future that can be realized when people remain healthy longer. In addition, productivity increases with healthier workers.

MDA is constantly looking for ways to make the workplace better and to become a workplace of choice for future civil servants.

The MDA Wellness Coordinator is a member of the Provincial Workplace Wellness Alliance which allows networking with other organizations who also view employee wellness as critical to the success of their organizations.

During 2007/08 MDA held several wellness events:

- A speaker from Seven Oaks Wellness Institute spoke to 30 staff on proper lifting techniques.
- A speaker presented to all staff on working positively in the workplace.
- Two healthy lunches were provided to MDA staff.
- MDA held its second annual Wellness Fair attracting over 80 people including the Minister of Healthy Living.
- Approximately 22 MDA staff participated in the first pedometer challenge.

FINANCIAL OVERVIEW

Review of Operations

MDA has seen the volume and breadth of products grow in most commodity lines. Current clients are ordering more of products commonly stocked, while also requesting that MDA expand its lines of goods. As their needs change, clients look to MDA to assume warehousing and distributing at a lower cost.

The following financial review and analysis compares the actual results for the year ended March 31, 2008 to the projections for the same period and to the actual results for the year ended March 31, 2007.

MDA reported net income of \$83,000 before revenue sharing for the year ended March 31, 2008 compared to a projected loss of \$47,000 for 2008 and actual loss of \$174,000 for the year ended March 31, 2007.

	2008 Actual	2008 Projected	2008 Actual vs. Projected Increase (Decrease)	2007 Actual	2008 Actual vs. 2007 Actual Increase (Decrease)
Warehouse Sales	12,517	11,050	1,467	11,999	518
Cost of goods sold	9,961	8,840	1,121	9,677	284
Gross profit	2,556	2,210	346	2,322	234
 Service Revenue	 10,389	 9,415	 974	 9,970	 419
Total Revenue	12,945	11,625	1,320	12,292	653
 Expenses					
Salaries & benefits	4,186	3,960	226	3,940	246
Occupancy costs	724	780	(56)	785	(61)
Administrative	7,952	6,932	1,020	7,741	209
 Total Expenses	 12,862	 11,672	 1,190	 12,466	 396
Net income/(loss)	83	(47)	130	(174)	257
Retained Earnings	2,671	2,496	175	2,988	(317)
Revenue Sharing	400	400	--	400	--

Financial Position

The Agency did not use its working capital payable line of credit at any time during this fiscal year. The Agency has no working capital payable outstanding.

Remaining cash generated by operations was used to purchase capital and other assets and to pay revenue sharing amounts to the Consolidated Fund (\$400).

Ratio Analysis

Ratio	2008	2007	2006	2005
Return on total revenue	.64%	-.79%	-.002 %	.003%
Return on average assets	1.08%	-2.21%	.003%	.006%
Gross profit percentage	20.40%	19.35%	19.00%	17.80%
Debt to equity	.48 to 1	.44 to 1	.39 to 1	.45 to 1
Current ratio	1.62 to 1	1.74 to 1	1.81 to 1	1.73 to 1
Days sales in receivables	46 days	49 days	48 days	67 days
Inventory turnover	6.63 times	6.54 times	6.16 times	5.99 times

Performance Measures

	2008	2007	2006	2005
Turn Around Time (within MDA):				
Health Orders – Urban	1	1	1	1
Health Orders – Rural	2	2	2	2
Other Goods – Urban	1	2	1	1
Other Goods – Rural	2	2	2	2
MB Textbook Bureau	2	3	3	3
No. Sales Invoices	56,557	53,643	62,216	89,404
No. Inventory Items	2,563	4,123	4,149	4,628

MATERIALS DISTRIBUTION AGENCY
*(An Agency of the Special Operating Agencies
Financing Authority Province of Manitoba)*

Financial Statements

(In Thousands)

Year Ended March 31, 2008

MATERIALS DISTRIBUTION AGENCY
(An Agency of the Special Operating Agencies Financing Authority Province of Manitoba)
Index to Financial Statements
Year Ended March 31, 2008

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E X G

THE EXCHANGE

chartered accountants LLP

AUDITORS' REPORT

To the Special Operating Agency's Financial Authority of Materials Distribution Agency

We have audited the balance sheet of Materials Distribution Agency as at March 31, 2008 and the statements of earnings and retained earnings and cash flows for the year then ended. These financial statements are the responsibility of the Agency's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Agency as at March 31, 2008 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

The Exchange

chartered accountants LLP

Winnipeg, Manitoba
April 30, 2008

Materials Distribution Agency
(An Agency of the Special Operating Agencies Financing Authority Province of Manitoba)

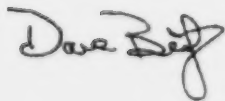
Management's Responsibility for Financial Reporting

The Materials Distribution Agency's (the Agency) management is responsible for preparing the financial statements. This responsibility includes maintaining the integrity and objectivity of financial data and the presentation of the Agency's financial position and results of operations and its cash flows in accordance with Canadian generally accepted accounting principles. In management's opinion, the financial statements have been properly prepared within reasonable limits of materiality, incorporating management's best judgement regarding all necessary estimates and all other data available through April 30, 2008.

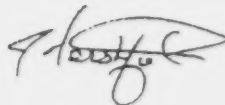
Management maintains internal controls to properly safeguard the Agency's assets. These controls also provide reasonable assurance that the books and records from which financial statements are derived accurately reflect all transactions, and that established policies and procedures are followed.

The Agency's financial statements have been audited by The Exchange chartered accountants LLP, independent external auditors. The auditors' responsibility is to express an independent opinion on whether the financial statements of the Agency are presented fairly, in all material respects, in accordance with Canadian generally accepted accounting principles. The Auditors' Report outlines the scope of their audit examination and provides their audit opinion.

On behalf of the Agency's management,



David Bishop
Chief Operating Officer



Joel Hershfield
Manager of Finance and Technology

Winnipeg, Manitoba
April 30, 2008

MATERIALS DISTRIBUTION AGENCY
(An Agency of the Special Operating Agencies Financing Authority Province of Manitoba)

Balance Sheet

(In Thousands)

March 31, 2008

	2008	2007
ASSETS		
CURRENT		
Cash and short term investments <i>(Note 7)</i>	\$ 732	\$ 723
Accounts receivable	2,989	2,868
Receivable - Province of Manitoba <i>(Note 3)</i>	412	-
Inventories <i>(Notes 2, 4)</i>	1,485	1,521
Prepaid expenses	171	216
	<u>5,789</u>	<u>5,328</u>
RECEIVABLE - PROVINCE OF MANITOBA <i>(Note 3)</i>	-	412
EQUIPMENT <i>(Notes 2, 5)</i>	1,641	1,637
OTHER ASSETS <i>(Notes 2, 6)</i>	238	348
	<u>\$ 7,668</u>	<u>\$ 7,725</u>
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 3,321	\$ 3,056
SEVERANCE LIABILITY <i>(Note 8)</i>	379	384
	<u>3,700</u>	<u>3,440</u>
EQUITY		
Contributed equity	1,297	1,297
Retained earnings	2,671	2,988
	<u>3,968</u>	<u>4,285</u>
	<u>\$ 7,668</u>	<u>\$ 7,725</u>
COMMITMENTS <i>(Note 10)</i>		

MATERIALS DISTRIBUTION AGENCY
(An Agency of the Special Operating Agencies Financing Authority Province of Manitoba)

Statement of Earnings and Retained Earnings

(In Thousands)

Year Ended March 31, 2008

	2008	2007
NET WAREHOUSE SALES <i>(Schedule 1)</i>	\$ 12,517	\$ 11,999
COST OF SALES	<u>(9,961)</u>	<u>(9,677)</u>
GROSS PROFIT	2,556	2,322
SERVICE REVENUE <i>(Schedule 1)(Note 2)</i>	<u>10,389</u>	<u>9,970</u>
NET REVENUE	<u>12,945</u>	<u>12,292</u>
EXPENSES		
Salaries and benefits	4,186	3,940
Occupancy costs	724	785
Schedule of Administrative Expenses <i>(Schedule 2)</i>	<u>7,952</u>	<u>7,741</u>
	<u>12,862</u>	<u>12,466</u>
NET INCOME (LOSS)	83	(174)
RETAINED EARNINGS - BEGINNING OF YEAR	<u>2,988</u>	<u>3,562</u>
	3,071	3,388
REVENUE SHARING - PROVINCE OF MANITOBA	<u>(400)</u>	<u>(400)</u>
RETAINED EARNINGS - END OF YEAR	<u>\$ 2,671</u>	<u>\$ 2,988</u>

MATERIALS DISTRIBUTION AGENCY*(An Agency of the Special Operating Agencies Financing Authority Province of Manitoba)***Statement of Cash Flows****(In Thousands)****Year Ended March 31, 2008**

	2008	2007
OPERATING ACTIVITIES		
Cash receipts from customers	\$ 12,266	\$ 12,221
Cash received from service and software sales	10,389	9,970
Cash paid for inventories	(9,960)	(9,677)
Cash paid for salaries and benefits	(4,191)	(3,894)
Cash paid for occupancy	(724)	(785)
Cash paid for supplies, administration and other	(6,535)	(7,637)
Cash flow from operating activities	1,245	198
INVESTING ACTIVITIES		
Acquisition of rental equipment	(805)	(233)
Acquisition of equipment	(31)	125
Cash flow used by investing activities	(836)	(108)
FINANCING ACTIVITIES		
Revenue sharing - Province of Manitoba	(400)	(400)
Lease obligations	-	(7)
Cash flow used by financing activities	(400)	(407)
INCREASE (DECREASE) IN CASH FLOWS	9	(317)
CASH AND SHORT-TERM INVESTMENTS - BEGINNING OF YEAR	723	1,040
CASH AND SHORT-TERM INVESTMENTS- END OF YEAR	\$ 732	\$ 723

MATERIALS DISTRIBUTION AGENCY

(An Agency of the Special Operating Agencies Financing Authority Province of Manitoba)

Notes to Financial Statements

(In Thousands)

Year Ended March 31, 2008

1. NATURE OF ORGANIZATION

The Government of Manitoba established a central warehouse operation in 1974. Its mandate was to effectively meet the cost needs of departments and certain boards, commissions and agencies of the Crown, for a variety of commonly used items.

Effective April 1, 1993, Materials Distribution Agency (the "Agency") was designated as a Special Operating Agency pursuant to The Special Operating Agencies Financing Authority Act, Cap. S185, C.C.S.M. and operates under a charter approved by the Lieutenant Governor in Council.

In 1956 Mail Management (Postal Service) was created as a branch of the Manitoba Provincial Government to provide centralized postal management. Effective April 1, 1996 the Postage Service was renamed Mail Management Agency and designated as a Special Operating Agency (SOA) pursuant to The Special Operating Agencies Financing Authority Act, Cap. S185, C.C.S.M. and operates under a charter approved by the Lieutenant Governor in Council.

Effective April 1, 2005 the operations of the Materials Distribution Agency and the Mail Management Agency were amalgamated. The amalgamated operations have been operating as the Materials Distribution Agency.

The Agency is financed through the Special Operating Agencies Financing Authority (SOAFA). The Financing Authority has the mandate to hold and acquire assets required for and resulting from the Agency's operations. It finances the Agency through repayable loans and working capital advances. This financial framework enables the Agency to operate in a business-like manner according to public policy expectations.

A Management Agreement between the Financing Authority and the Minister of Transportation and Government Services assigns responsibility to the Agency to manage and account for Agency-related assets and operations on behalf of the Financing Authority.

The Agency continues to be part of Manitoba Transportation and Government Services under the general direction of the Assistant Deputy Minister, Supply and Services Division, and ultimately the policy direction of the Deputy Minister and Minister.

The Agency remains bound by relevant legislation and regulations. It is also bound by administrative policy except where specific exemptions have been provided in its charter in order to meet business objectives.

The Agency is economically dependent on the Province of Manitoba and the Manitoba Regional Health Authorities deriving most of its revenue and all of its capital financing requirements from the Province. These transactions are recorded at the exchange amount, which is the amount agreed upon by both parties.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting

The financial statements of the Agency have been prepared in accordance with Canadian generally accepted accounting principles.

(continues)

MATERIALS DISTRIBUTION AGENCY
(An Agency of the Special Operating Agencies Financing Authority Province of Manitoba)

Notes to Financial Statements

(In Thousands)

Year Ended March 31, 2008

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Use of estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingencies at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

New accounting policies

Effective April 1, 2007 the Agency adopted the following new accounting standards issued by the Canadian Institute of Chartered Accountants (CICA):

Section 1506, Accounting Changes

Section 1506 requires that voluntary changes in accounting policies are made only if they result in the financial statements providing reliable and more relevant information. Additional disclosure is required when the Agency has not yet applied a new primary source of Canadian generally accepted accounting principles that has been issued but is not yet effective, as well as when changes in accounting estimates and errors occur. The adoption of this revised standard had no material impact on the Agency's financial statements for the year ended March 31, 2008.

Section 1530, Comprehensive Income

Section 1530 requires the presentation of a statement of comprehensive income and provides guidance for the reporting and display of other comprehensive income. Comprehensive income represents the change in equity of an enterprise during a period from transactions and other events arising from non-owner sources including gains and losses arising on translation of self-sustaining foreign operations, gains and losses from changes in fair value of available for sale financial assets and changes in fair value of the effective portion of cash flow hedging instruments. The Agency has not recognized any adjustments through other comprehensive income for the year ended March 31, 2008. Because the Agency has no items related to other comprehensive income, comprehensive income is equivalent to net income.

Section 3855, Financial Instruments – Recognition and Measurement

Section 3855 prescribes the criteria for recognition and presentation of financial instruments on the balance sheet and the measurement of financial instruments according to prescribed classifications. Under this section, financial assets and liabilities are initially recorded at fair value. This section also addresses how financial instruments are measured subsequent to initial recognition and how the gains and losses are recognized.

The Agency is required to designate its financial instruments into one of the following five categories: held for trading; available for sale; held to maturity; loans and receivables; and other financial liabilities. All financial instruments classified as held for trading or available for sale are subsequently measured at fair value with any change in fair value recorded in net earnings and other comprehensive income, respectively. All other financial instruments are subsequently measured at amortized cost.

The Agency has designated its financial instruments as follows:

(continues)

MATERIALS DISTRIBUTION AGENCY
(An Agency of the Special Operating Agencies Financing Authority Province of Manitoba)

Notes to Financial Statements

(In Thousands)

Year Ended March 31, 2008

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Cash and short-term investments are classified as financial assets held for trading and are measured at fair value with gains and losses recognized in net earnings. These financial assets are recorded at values that approximate their fair values.

Accounts receivable are classified as loans and receivables. These financial assets are recorded at their amortized cost using the effective interest rate method.

Accounts payable and accrued liabilities are classified as other financial liabilities. These financial liabilities are recorded at their amortized cost using the effective interest rate method.

The adoption of this revised standard had no material impact on the Agency's financial statements for the year ended March 31, 2008.

Future accounting policy changes

Section 3862, Financial Instruments – Disclosures and Section 3863, Financial Instruments – Presentation

The CICA has issued two new standards, CICA 3862: Financial Instruments – Disclosures and CICA 3863: Financial Instruments – Presentation, which enhance the abilities of users of financial statements to evaluate the significance of financial instruments to an Agency, related exposures and the management of these risks.

These changes in accounting policies, which will be adopted effective April 1, 2008, will only require additional disclosures in the financial statements.

Section 1535, Capital Disclosures

The CICA has also issued a new standard, CICA 1535: Capital Disclosures, which requires the disclosure of qualitative and quantitative information that enables users of financial statements to evaluate the Agency's objectives, policies and processes for managing capital.

This accounting policy change, which will be adopted effective April 1, 2008, will only require additional disclosures in the financial statements.

Section 3031 Inventories

In June 2007, the Canadian Institute of Chartered Accountants ("CICA") issued Section 3031, Inventories, replacing Section 3030, Inventories. The new Section will be applicable to financial statements relating to fiscal years beginning on or after January 1, 2008. Accordingly, the Agency will adopt the new standards for its fiscal year beginning April 1, 2008. It provides more guidance on the measurement and disclosure requirements for inventories. The Agency does not expect that the adoption of this new Section will have a material impact on its financial statements.

(continues)

MATERIALS DISTRIBUTION AGENCY
(An Agency of the Special Operating Agencies Financing Authority Province of Manitoba)

Notes to Financial Statements

(In Thousands)

Year Ended March 31, 2008

2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** *(continued)*

Financial instruments

The Agency's financial instruments consist of cash and short-term investments, accounts receivable, and accounts payable and accrued liabilities. Unless otherwise noted, it is management's opinion that the Agency is not exposed to significant interest, currency or credit risks arising from these financial instruments.

The fair value of cash and short-term investments, accounts receivable, and accounts payable and accrued liabilities approximate their carrying values, unless otherwise noted.

Cash and short term investments

Cash and short term investments include cash on hand and balances with banks, net of bank overdrafts and short term investments with original maturities of six months or less. Bank borrowings are considered to be financing activities.

Inventory

Inventory is valued at the lower of cost and net realizable value with the cost being determined on a first-in, first-out basis.

Equipment

Equipment is stated at cost less accumulated amortization. Equipment is amortized over their estimated useful lives at the following rates and methods:

Computer equipment	20%	straight-line method
Fixtures	20%	straight-line method
Leasehold improvements	5 years	straight-line method
Office equipment	20%	straight-line method
Production equipment	20%	diminishing balance method
Rental equipment	2 - 5 years	straight-line method
Warehouse equipment	20%	diminishing balance method

Non-consumable equipment relating to the Home Care Equipment and Supplies Program are amortized at varying rates in order to reflect the varying periods of useable "life".

Rental equipment	2, 3 or 5 years	straight-line method
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Other assets

Other assets are recorded at cost and are amortized at the following rates on the following basis:

Computer conversion	5 years	straight-line method
Relocation expenses	10 years	straight-line method

Revenue recognition

Warehouse sales are normally recognized when the products are shipped, service revenues are recognized on the provision of services.

MATERIALS DISTRIBUTION AGENCY

(An Agency of the Special Operating Agencies Financing Authority Province of Manitoba)

Notes to Financial Statements

(In Thousands)

Year Ended March 31, 2008

3. RECEIVABLE - PROVINCE OF MANITOBA

The receivable from the Province of Manitoba is for vacation entitlement earned by the employees of the Agency prior to its designation as a Special Operating Agency. It also includes severance pay benefits earned by the employees to March 31, 1998.

The Province of Manitoba has confirmed that it intends to pay in full the March 31, 2008 receivable balances related to prior years' funding for severance pay and vacation pay liabilities. These payments will be placed in an interest bearing trust account on March 31, 2009 to be held on (the entities) behalf until the cash is required to discharge the related liabilities. Accordingly, these receivables are classified as current.

	2008	2007
Vacation	\$ 116	\$ 116
Severance	296	296
	<u>\$ 412</u>	<u>\$ 412</u>

4. INVENTORIES

	2008	2007
Medical Supplies	\$ 583	\$ 685
Equipment	82	69
Stationery	520	530
Janitorial	230	204
New furniture	70	33
	<u>\$ 1,485</u>	<u>\$ 1,521</u>

5. EQUIPMENT

	2008		2007	
	Cost	Accumulated amortization	Cost	Accumulated amortization
Computer equipment	\$ 195	\$ 192	\$ 187	\$ 179
Fixtures	109	109	109	109
Leasehold improvements	709	684	697	543
Office equipment	64	64	64	64
Production equipment	284	240	279	230
Rental equipment	5,116	3,816	4,311	3,210
Warehouse equipment	738	469	732	407
	<u>\$ 7,215</u>	<u>\$ 5,574</u>	<u>\$ 6,379</u>	<u>\$ 4,742</u>
Net book value	<u>\$ 1,641</u>		<u>\$ 1,637</u>	

MATERIALS DISTRIBUTION AGENCY

(An Agency of the Special Operating Agencies Financing Authority Province of Manitoba)

Notes to Financial Statements

(In Thousands)

Year Ended March 31, 2008

6. OTHER ASSETS

	Cost	Accumulated amortization	2008 Net book value	2007 Net book value
Computer Conversion	\$ 337	\$ 252	\$ 85	\$ 165
Relocation	287	134	153	183
	<u>\$ 624</u>	<u>\$ 386</u>	<u>\$ 238</u>	<u>\$ 348</u>

7. WORKING CAPITAL PAYABLE

The Agency has an authorized line of working capital advances of \$2,300 of which none (2007 – none) was used at March 31, 2008. Cash and short term investments are net of the working capital payable.

8. SEVERANCE LIABILITY

Effective April 1, 1998 the Agency began recording accumulated severance pay benefits for its employees. The amount of severance pay obligations is based on actuarial calculations. The periodic actuarial valuations of these liabilities may determine that adjustments are needed to the actuarial calculations when actual experience is different from that expected and/or because of changes in actuarial assumptions used. The resulting actuarial gains or losses are amortized over the expected average remaining service life of the related employee group.

An actuarial report was completed for the severance pay liability as of December 31, 2004. The report provides a formula to update the liability on a annual basis. The Materials Distribution Agency's actuarially determined net liability for accounting purposes as at March 31, 2008 was \$379 (2007 - \$384). Commencing in the 2006 fiscal year the actuarial loss of \$40 is being amortized over the 15 year expected average remaining service life of the employee group.

MATERIALS DISTRIBUTION AGENCY
(An Agency of the Special Operating Agencies Financing Authority Province of Manitoba)

Notes to Financial Statements

(In Thousands)

Year Ended March 31, 2008

9. CONTRIBUTED EQUITY

Loan Authority – April 1, 1993

The SOAFA and the Province of Manitoba entered into a Transfer Agreement respecting the transfer from Manitoba to the Financing Authority of inventories and capital assets valued at \$1,464 required for the continuing operations of the Agency as at March 31, 1993. The Agency repaid the debt portion of \$732 (being ½ of the value of the assets) and recorded the balance, \$732, as Manitoba's contributed equity in the Financing Authority as related to the Agency operations.

Loan Authority – April 1, 1996 MMA

SOAFA and the Province of Manitoba entered into a Transfer Agreement respecting the transfer from Manitoba to the Financing Authority of equipment valued at \$102 required for continuing operations of the Mail Management Agency as at March 31, 1996. The Mail Management Agency (now Materials Distribution Agency) repaid the debt portion in the amount of \$51 (being one-half of the value of the assets) and recorded the balance of \$51 as Manitoba's contributed equity in the Financing Authority as related to the Agency's operations.

Loan Authority – April 1, 1997

SOAFA and the Province of Manitoba entered into a Transfer Agreement respecting the transfer from Manitoba to the Financing Authority for the net assets of the Home Care Equipment and Supply Program valued at \$1,027 as at April 1, 1997. The Agency repaid the debt portion of \$513 (being ½ of the value of the assets) and recorded the balance, \$514, as Manitoba's contributed equity in the Financing Authority as related to the Agency operations.

MATERIALS DISTRIBUTION AGENCY
(An Agency of the Special Operating Agencies Financing Authority Province of Manitoba)

Notes to Financial Statements

(In Thousands)

Year Ended March 31, 2008

10. COMMITMENTS

Leased Premises

On March 24, 2003, the Agency took partial possession of a rental property consisting of 76,067 square feet at 1715 St. James Street, Winnipeg, Manitoba. The lease is for a term of 10 years with an additional 5 year option commencing May 1, 2003.

The payments over the next five years are as follows:

2009	\$	521
2010		521
2011		521
2012		521
2013		521

Equipment Lease

The Agency has entered into a 5 year lease with Xerox for printing equipment. The lease is being paid yearly with payments of \$30 annually.

Rental Agreement

The Agency has not entered into lease agreements with the Province of Manitoba for the five locations that it operates (405 Broadway, Winnipeg; 450 Broadway, Winnipeg; 340 - 9th Street, Brandon; and 25 Tupper Street, Portage la Prairie). Occupancy charges for the year ended March 31, 2008 were \$93 (2007 - \$93).

11. PENSION BENEFITS

Employees of the Agency are eligible for pension benefits in accordance with the provision of the Civil Service Superannuation Act (CSSA), administered by the Civil Service Superannuation (CSSB). The CSSA established a defined benefit plan to provide benefits to employees of the Manitoba Civil Service and to participating agencies of the Government, including the Materials Distribution Agency, through the Civil Service Superannuation Fund (CSSF).

Effective March 31, 2001, pursuant to an agreement with the Province of Manitoba, the Agency transferred to the Province the pension liability for its employees.

Commencing April 1, 2001, the Agency is required to pay to the Province an amount equal to its employees' current pension contributions. The amount paid for 2008 was \$410 (2007 - \$430).

12. INTEREST RECEIVED

The Agency received interest during the year of \$17 (2007 - \$24).

MATERIALS DISTRIBUTION AGENCY

(An Agency of the Special Operating Agencies Financing Authority Province of Manitoba)

Notes to Financial Statements

(In Thousands)

Year Ended March 31, 2008

13. PUBLIC SECTOR COMPENSATION DISCLOSURE ACT

It is a requirement of the Public Sector Compensation Disclosure Act that annual public disclosure be made of individual compensation in an amount exceeding \$50 annually to any officer or employee of the Agency. For the year ended March 31, 2008, the following employees received compensation in excess of \$50:

Ailyn Almendral	IT - Systems Administrator	\$	68
David Bishop	Chief Operating Officer		64
Greg Bowers	Marketing and Communications		58
Rhonda Boyd	Client Services Manager		54
Glenn Dela Cruz	Programmer/Analyst		58
Wes Dropko	Programmer/Analyst		62
Joel Hershfield	Manager of Finance & Technology, Wellness Co-ordinator		71
Michael Langenfeld	Contracts and Purchasing Manager		54
Robert Nicholls	Logistics Manager		53

MATERIALS DISTRIBUTION AGENCY*(An Agency of the Special Operating Agencies Financing Authority Province of Manitoba)***Schedule of Warehouse Sales and Service Revenue***(Schedule 1)***(In Thousands)****Year Ended March 31, 2008**

	2008	2007
WAREHOUSE SALES		
Medical supplies	\$ 4,530	\$ 4,450
Stationery	3,624	3,461
Furniture	2,085	2,277
Janitorial	1,453	1,277
Health Equipment	518	390
Special projects	307	144
	<u>\$ 12,517</u>	<u>\$ 11,999</u>
SERVICE REVENUE		
Disposal	\$ 4	\$ 15
Manitoba Textbook Bureau	292	292
Freight	584	452
Moving	617	472
Storage	80	80
Office equipment - maintenance program	45	61
Office equipment - copy centres	475	534
Mail Processing	4,555	4,824
Inter Departmental Mail	735	490
Mail Finishing	389	385
Printing	140	184
Contract Management	40	39
Home Care equipment rentals	2,325	2,050
Other income	108	92
	<u>\$ 10,389</u>	<u>\$ 9,970</u>

MATERIALS DISTRIBUTION AGENCY
(An Agency of the Special Operating Agencies Financing Authority Province of Manitoba)

Schedule of Administrative Expenses

(Schedule 2)

(In Thousands)

Year Ended March 31, 2008

	2008	2007
EXPENSES		
Amortization	\$ 940	\$ 827
Bad debts	131	-
Computer	194	213
Copy Centre	300	358
Equipment rentals	88	111
Freight	1,045	997
Mail Services	4,396	4,473
Miscellaneous	9	26
Moving	337	268
Office	161	164
Professional fees	14	11
Promotion and marketing	45	39
SOAFA fees	2	2
Telephone	54	59
Training	14	20
Vehicle	93	62
Warehouse supplies	129	111
	<u>\$ 7,952</u>	<u>\$ 7,741</u>

